February 5, 2013

SENATE BILL No. 529

DIGEST OF SB 529 (Updated February 4, 2013 11:03 am - DI 118)

Citations Affected: IC 4-3; IC 4-4; IC 4-23; IC 5-28; IC 8-1; IC 15-11; IC 21-47.

Synopsis: Office of energy development. Establishes the Indiana office of energy development (office) within the office of the governor. Provides that the director of the office is the chief energy officer of the state. Provides that the office administers: (1) the alternative fuel fueling station grant program; (2) the alternative fuel vehicle grant program for local units; (3) the energy development fund; (4) a low interest revolving loan program in consultation with the Indiana recycling market development board; (5) the Indiana coal research grant fund; (6) the green industries fund, in consultation with the Indiana economic development corporation; (7) the office of alternative energy incentives and the alternative energy incentive fund; (8) the E85 fueling station grant program, in consultation with the Indiana department of agriculture; and (9) the center for coal technology research and the coal technology research fund. Retains the administration of the home assistance and weatherization programs with the office of the lieutenant governor. Transfers the powers, duties, assets, liabilities, and rules relating to energy and energy development from the following entities to the office: (1) The lieutenant governor. (2) The center for coal technology research. Provides that the office may adopt rules to carry out its responsibilities. Abolishes duties of the lieutenant governor relating to energy policy. Establishes the Indiana office of defense development. Transfers to the Indiana office of defense development the powers, duties, assets, liabilities, and rules relating to defense from the office of energy and defense development. Provides that the Indiana office of defense development may adopt rules to carry out its responsibilities. Makes conforming amendments.

Effective: July 1, 2013.

Charbonneau, Randolph

January 14, 2013, read first time and referred to Committee on Environmental Affairs.
February 4, 2013, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

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February 5, 2013

First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

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SENATE BILL No. 529

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-3-21-4, AS AMENDED BY P.L.180-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. The council consists of the following members:

(1) Each member of the house of representatives whose house district includes all or part of a county that contains any part of a military base.

(2) Each member of the senate whose senate district includes all or part of a county that contains any part of a military base.

(3) The lieutenant governor or the lieutenant governor's designee.

(4) The adjutant general or the adjutant general's designee.

(5) The commissioner of the department of environmental management or the commissioner's designee.

(6) The commissioner of the Indiana department of transportation or the commissioner's designee.

(7) The executive director of the department of homeland security or the executive director's designee.

(8) The commissioner of the department of workforce

development or the commissioner's designee.

(9) The president of the Indiana economic development corporation or the president's designee.

(10) The director of the **Indiana** office of ~~energy and~~ defense development.

(11) The following local government representatives:

(A) One (1) member of the county executive of each county that contains all or part of a military base, appointed by the county executive.

(B) One (1) member of the county fiscal body of each county that contains all or part of a military base, appointed by the county fiscal body.

(C) One (1) member:

(i) who is the executive of the municipality having the largest population in each county that contains all or part of a military base if that municipality is a city; or

(ii) who is appointed from the membership of the fiscal body of that town, if a town is the municipality having the largest population in the county.

(D) One (1) member of the legislative body of the municipality having the largest population in each county that contains a military base, appointed by the legislative body of that municipality.

(E) One (1) member of the county executive of each county listed in IC 36-7-30.5-10(4) through IC 36-7-30.5-10(6), appointed by the county executive.

SECTION 2. IC 4-3-23 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 23. Indiana Office of Energy Development

Sec. 1. As used in this chapter, "director" means the director of the office.

Sec. 2. As used in this chapter, "office" refers to the Indiana office of energy development established by section 3 of this chapter.

Sec. 3. (a) The Indiana office of energy development is established to develop and implement a comprehensive energy policy for the state.

(b) The governor shall appoint the director of the office. The director is the chief energy officer of the state and shall report directly to the governor.

Sec. 4. The office shall carry out the duties relating to energy

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policy that were carried out by the following:

(1) The department of commerce (before its abolishment in 2005).

(2) The office of the lieutenant governor under IC 4-4-2.4 (before its repeal).

Sec. 5. The office shall administer the following:

(1) The alternative fuel fueling station grant program under IC 4-4-32.2.

(2) The alternative fuel vehicle grant program for local units under IC 4-4-32.3.

(3) The energy development fund under IC 4-23-5.5-10.

(4) A low interest revolving loan program for certain energy efficiency or recycling projects, in consultation with the Indiana recycling market development board.

(5) The coal research grant fund under IC 4-23-5.5-16.

(6) The green industries fund under IC 5-28-34, in consultation with the Indiana economic development corporation.

(7) The office of alternative energy incentives established by IC 8-1-13.1-9 and the alternative energy incentive fund established by IC 8-1-13.1-10.

(8) The E85 fueling station grant program under IC 15-11-11, in consultation with the Indiana department of agriculture.

(9) The center for coal technology research established by IC 21-47-4-1 and the coal technology research fund established by IC 21-47-4-5.

Sec. 6. The office shall collaborate with the office of the lieutenant governor regarding the following programs:

(1) Home energy assistance programs, including the Low Income Home Energy Assistance Block Grant under 42 U.S.C. 8621 et seq.

(2) Weatherization programs, including weatherization programs and money received under 42 U.S.C. 6851 et seq.

Sec. 7. The office may adopt rules under IC 4-22-2 to carry out its responsibilities under this chapter.

Sec. 8. (a) All powers, duties, liabilities, records, property, appropriations, and employees of the lieutenant governor as of June 30, 2013, that are related to energy or energy development, including the center for coal technology research, are transferred to the office as the successor office.

(b) Rules of the office of the lieutenant governor related to energy or energy development that were adopted before July 1,

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2013, are transferred to the office and shall be treated after June 30, 2013, as though they had been adopted by the office.

SECTION 3. IC 4-4-2.4 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Duties of Lieutenant Governor Relating to Energy Policy).

SECTION 4. IC 4-4-32.2-7, AS ADDED BY P.L.151-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. As used in this chapter, "office" refers to the Indiana office of energy development **established by IC 4-3-23-3.**

SECTION 5. IC 4-4-32.3-4, AS ADDED BY P.L.151-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. As used in this chapter, "office" refers to the Indiana office of energy development **established by IC 4-3-23-3.**

SECTION 6. IC 4-4-34 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 34. Indiana Office of Defense Development

Sec. 1. As used in this chapter, “director" means the chief executive and administrative officer of the Indiana office of defense development.

Sec. 2. As used in this chapter, “office" refers to the Indiana office of defense development established by section 3 of this chapter.

Sec. 3. The Indiana office of defense development is established to develop and implement strategies for promoting defense assets and industry of Indiana.

Sec. 4. The office shall do the following:

(1) Promote the defense assets located in Indiana.

(2) Attract defense related industry and activities to Indiana, working with local, regional, and statewide economic development organizations.

(3) Promote and assist in the commercialization of the United States Department of Defense and other federal intellectual property and assets to create new products, companies, and jobs in Indiana.

(4) Report annually to the lieutenant governor on the economic, workforce, and national security impact of the defense assets and defense industry in Indiana.

Sec. 5. The lieutenant governor shall appoint the director of the office. The director shall report directly to the lieutenant governor. The director:

(1) is entitled to receive compensation in an amount set by the lieutenant governor, subject to the approval of the budget

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agency under IC 4-12-1-13;

(2) may appoint employees in the manner provided by IC 4-15-2.2;

(3) may fix the compensation of employees of the office, subject to the approval of the budget agency under IC 4-12-1-13; and

(4) may delegate the director's authority to the appropriate office staff.

Sec. 6. The office may adopt rules under IC 4-22-2 to carry out its responsibilities under this chapter.

Sec. 7. (a) All powers, duties, liabilities, records, property, appropriations, and employees of the office of energy and defense development as of June 30, 2013, that are related to defense or defense development are transferred to the office as the successor office.

(b) Rules of the office of energy and defense development related to defense or defense development that were adopted before July 1, 2013, are transferred to the office and shall be treated after June 30, 2013, as though they had been adopted by the office.

SECTION 7. IC 4-23-5.5-1, AS AMENDED BY P.L.204-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. As used in this chapter:

(1) "board" refers to the Indiana recycling market development board created by this chapter; ~~and~~

(2) "division" refers to the division of pollution prevention established by IC 13-27-2-1; **and**

(3) "office" refers to the Indiana office of energy development established by IC 4-3-23-3.

SECTION 8. IC 4-23-5.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) The "energy development fund" is established as a dedicated fund to be administered by the ~~board.~~ **office.** Money in the fund shall be expended by the ~~board~~ **office** exclusively to effect the provisions of this chapter and may include administrative costs.

(b) All money received by the ~~board~~ **office** for deposit in the energy development fund shall be deposited in the fund.

(c) No portion of the fund shall revert to the general fund of the state at the end of a fiscal year. However, if the fund is abolished its contents shall revert to the general fund of the state.

(d) All money accruing to the fund is appropriated continuously for the purposes specified in this chapter.

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SECTION 9. IC 4-23-5.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. The ~~board~~ **office** may establish and administer a revolving loan program for the purpose of making low interest loans to projects designed to promote the development and efficient use of energy resources or to promote recycling market development. The interest rates for the loans shall be fixed by the ~~board.~~ **office. The office may consult with the board in implementing this section.**

SECTION 10. IC 4-23-5.5-16, AS AMENDED BY P.L.2-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 16. (a) As used in this section, "center" refers to the center for coal technology research established by IC 21-47-4-1.

(b) The Indiana coal research grant fund is established for the purpose of providing grants for research and other projects designed to develop and expand markets for Indiana coal. The fund shall be administered by the ~~center.~~ **office.**

(c) Sources of money for the fund consist of the following:

(1) Appropriations from the general assembly.

(2) Donations, gifts, and money received from any other source, including transfers from other funds or accounts.

(d) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) The center shall establish:

(1) amounts for grants under this section; and

(2) criteria for awarding grants under this section.

(g) A person, business, or manufacturer that wants a grant from the fund must file an application in the manner prescribed by the center.

(h) The center shall appoint a panel of at least eight (8) members to review and make recommendations to the center about each application filed under this section. To be a member of the panel, an individual must be a scientist, a professional engineer registered under IC 25-31-1, or another professional who is familiar with coal combustion, coal properties, coal byproducts, and other coal uses.

(i) The ~~lieutenant governor~~ **director of the office** shall pursue available private and public sources of money for the fund.

SECTION 11. IC 5-28-34-3, AS ADDED BY P.L.182-2009(ss), SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) The green industries fund is established.

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The fund shall be administered by the corporation **in consultation with the Indiana office of energy development established by IC 4-3-23-3.**

(b) The fund may be used to provide grants and loans to Indiana manufacturing companies for the following purposes:

(1) To strengthen Indiana's economy by focusing investment in advanced manufacturing clusters focused on more energy efficient and environmentally sustainable technologies, processes, and products.

(2) To accelerate job creation through training and education initiatives to enhance the skills and employment prospects of Indiana's workforce in green industries.

(3) To facilitate the redevelopment of Indiana manufacturing sites, facilities, and processes to operate in a more energy efficient and environmentally sustainable manner.

(4) To stimulate the development of technologies, processes and products that reduce energy consumption or lower emissions in the market of their intended use.

(5) To encourage public-private partnerships focused on development of green industries among Indiana manufacturing companies, public or private educational institutions, nonprofit organizations and charitable foundations, research and development organizations, and state agencies.

SECTION 12. IC 8-1-13.1-9, AS ADDED BY P.L.151-2009, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) The office of alternative energy incentives is established within the Indiana office of energy development **established by IC 4-3-23-3.**

(b) The:

(1) director of the Indiana office of energy development; or

(2) designee of the Indiana office of energy development, who must be qualified by knowledge of or experience in the electric utility industry;

shall serve as the director of the office.

(c) The director:

(1) serves at the pleasure of and is responsible to the director of the Indiana office of energy development, if the director is a designee of the director of the Indiana office of energy development;

(2) may receive compensation in an amount determined by the director of the Indiana office of energy development, subject to the approval of the budget agency, if the director is a designee of

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the director of the Indiana office of energy development;
(3) serves as the chief executive and administrative officer of the office; and
(4) may, to the extent appropriate, delegate the director's authority under this chapter, subject to the approval of:
(A) the director of the Indiana office of energy development, if the director is a designee of the director of the Indiana office of energy development; and
(B) the budget agency.

(d) The director of the Indiana office of energy development may:
(1) establish; and
(2) appoint members to;

an advisory board to advise the office in the administration of this chapter.

SECTION 13. IC 15-11-11-7, AS AMENDED BY P.L.95-2010, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) Subject to subsection (c), the department may award a grant under this chapter to a person or unit that:
(1) makes a qualified investment and places the qualified investment in service in Indiana for the dispensing of E85 base fuel into the fuel tanks of motor vehicles; or
(2) places a qualified investment in service in Indiana for the production or distribution of biofuels.

(b) A recipient of a grant awarded under this chapter must comply with any guidelines developed by the department and the **Indiana** office of energy ~~and defense~~ development.

(c) The department may not award more than one (1) grant under this chapter for a:
(1) renewable fuel compatible fueling station at a location; or
(2) project.

SECTION 14. IC 15-11-11-8, AS AMENDED BY P.L.95-2010, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) Subject to subsections (b) and (c), the department and the **Indiana** office of energy ~~and defense~~ development shall determine the amount of each grant awarded under this chapter.

(b) The amount of a grant awarded under this chapter for a renewable fuel compatible fueling station at a location may not exceed the lesser of the following:
(1) The amount of the grant recipient's qualified investment for the location.
(2) Twenty thousand dollars ($20,000).

(c) A grant awarded under this chapter for a project must be

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awarded on a competitive basis and may not exceed the lesser of:

(1) fifty percent (50%) of the grant recipient's qualified investment for the project; or

(2) one hundred thousand dollars ($100,000).

(d) The amount of a grant awarded under this chapter for a location or project may be less than the amount of the grant recipient's qualified investment for the location or project.

SECTION 15. IC 21-47-4-2, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The **Indiana** office of ~~the lieutenant governor~~ **energy development** may adopt rules under IC 4-22-2 to carry out the duties, purposes, and functions of the center.

SECTION 16. IC 21-47-4-4, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. To carry out the center's duties described in section 1 of this chapter, the ~~lieutenant governor or the lieutenant governor's~~ **director of the Indiana office of energy development or the director's** designee, acting on behalf of the center, may do the following:

(1) Organize the center in the manner necessary to implement this chapter.

(2) Execute contractual agreements, including contracts for:

(A) the operation of the center;

(B) the performance of any of the duties described in section 1 of this chapter; and

(C) any other services necessary to carry out this chapter.

(3) Receive money from any source for purposes of this chapter.

(4) Expend money for an activity appropriate to the purposes of this chapter.

(5) Execute agreements and cooperate with the following:

(A) Purdue University and other state educational institutions.

(B) A state or federal department or agency.

(C) A political subdivision.

(D) Interest groups representing business, the environment, industry, science, and technology.

(6) Employ personnel as necessary for the efficient administration of this chapter subject to the approval of the budget agency.

SECTION 17. IC 21-47-4-5, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) The coal technology research fund is established to provide money for the center and for the **Indiana** office of ~~the lieutenant governor~~ **energy development** to carry out the

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duties specified under this chapter. The ~~budget agency~~ **office of energy development** shall administer the fund.

(b) The fund consists of the following:

(1) Money appropriated or otherwise designated or dedicated by the general assembly.

(2) Gifts, grants, and bequests.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as the treasurer may invest other public funds.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

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COMMITTEE REPORT

Madam President: The Senate Committee on Environmental Affairs, to which was referred Senate Bill No. 529, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 4, strike "energy".

Page 2, line 4, reset in roman "defense".

Page 3, delete lines 11 through 15.

Page 3, line 16, delete "(5)" and insert "**(3)**".

Page 3, line 17, delete "(6)" and insert "**(4)**".

Page 3, line 20, delete "(7)" and insert "**(5)**".

Page 3, line 21, delete "(8)" and insert "**(6)**".

Page 3, line 24, delete "(9)" and insert "**(7)**".

Page 3, line 27, delete "(10)" and insert "**(8)**".

Page 3, line 30, delete "(11)" and insert "**(9)**".

Page 3, between lines 32 and 33, begin a new paragraph and insert:

"**Sec. 6. The office shall collaborate with the office of the lieutenant governor regarding the following programs:**

(1) Home energy assistance programs, including the Low Income Home Energy Assistance Block Grant under 42 U.S.C. 8621 et seq.

(2) Weatherization programs, including weatherization programs and money received under 42 U.S.C. 6851 et seq.".

Page 3, line 33, delete "Sec. 6." and insert "**Sec. 7.**".

Page 3, line 35, delete "Sec. 7." and insert "**Sec. 8.**".

Page 4, delete lines 12 through 30, begin a new paragraph and insert:

"SECTION 6. IC 4-4-34 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 34. Indiana Office of Defense Development

Sec. 1. As used in this chapter, "director" means the chief executive and administrative officer of the Indiana office of defense development.

Sec. 2. As used in this chapter, "office" refers to the Indiana office of defense development established by section 3 of this chapter.

Sec. 3. The Indiana office of defense development is established to develop and implement strategies for promoting defense assets and industry of Indiana.

Sec. 4. The office shall do the following:

(1) Promote the defense assets located in Indiana.

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(2) Attract defense related industry and activities to Indiana, working with local, regional, and statewide economic development organizations.

(3) Promote and assist in the commercialization of the United States Department of Defense and other federal intellectual property and assets to create new products, companies, and jobs in Indiana.

(4) Report annually to the lieutenant governor on the economic, workforce, and national security impact of the defense assets and defense industry in Indiana.

Sec. 5. The lieutenant governor shall appoint the director of the office. The director shall report directly to the lieutenant governor. The director:

(1) is entitled to receive compensation in an amount set by the lieutenant governor, subject to the approval of the budget agency under IC 4-12-1-13;

(2) may appoint employees in the manner provided by IC 4-15-2.2;

(3) may fix the compensation of employees of the office, subject to the approval of the budget agency under IC 4-12-1-13; and

(4) may delegate the director's authority to the appropriate office staff.

Sec. 6. The office may adopt rules under IC 4-22-2 to carry out its responsibilities under this chapter.

Sec. 7. (a) All powers, duties, liabilities, records, property, appropriations, and employees of the office of energy and defense development as of June 30, 2013, that are related to defense or defense development are transferred to the office as the successor office.

(b) Rules of the office of energy and defense development related to defense or defense development that were adopted before July 1, 2013, are transferred to the office and shall be

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treated after June 30, 2013, as though they had been adopted by the office.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 529 as introduced.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 9, Nays 0.

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